

The ninth Annual General Meeting (“AGM” or “Meeting”) of BG Group plc (the “Company”) will be held in Hall 1 of the International Convention Centre, Birmingham B1 2EA on Wednesday, 14 May 2008 at 2.00pm for the transaction of the business set out below.

This Notice contains the resolutions to be voted on at the Company’s AGM. Resolutions 1 to 13 below are ordinary resolutions that will be passed if more than 50% of the votes cast are in favour of the resolutions. Resolutions 14 to 16 are special resolutions that will be passed if not less than 75% of the votes cast are in favour of the resolutions. A poll will be called on each of the resolutions set out below. Further details are set out in the explanatory notes.

ORDINARY RESOLUTIONS

Resolution 1

To receive the Accounts and Reports of the Directors and the Auditors for the year ended 31 December 2007.

Resolution 2

To approve the Remuneration Report as set out on pages 61 to 71 of the BG Group plc Annual Report and Accounts for the year ended 31 December 2007.

Resolution 3

To declare a final dividend in respect of the year ended 31 December 2007 of 5.76 pence per ordinary share payable on 23 May 2008 to holders of ordinary shares on the register of shareholders of the Company at the close of business on 11 April 2008.

Resolution 4

To elect Dr John Hood as a Director of the Company.

Resolution 5

To re-elect Baroness Hogg as a Director of the Company.

Resolution 6

To re-elect Sir John Coles as a Director of the Company.

Resolution 7

To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

Resolution 8

To authorise the Audit Committee to determine the remuneration of the Auditors.

Resolution 9

That, in accordance with Section 366 and 367 of the Companies Act 2006 (the “2006 Act”), the Company and all companies which are subsidiaries of the Company during the period when this resolution has effect be and are hereby authorised to:

- (a) make political donations to political parties or independent election candidates not exceeding £15 000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £15 000 in total; and
- (c) incur political expenditure not exceeding £20 000 in total;

during the period beginning with the date of the passing of this Resolution and ending at the conclusion of the AGM of the Company in 2009.

For the purpose of this Resolution, ‘political donations’, ‘political organisations’, ‘political parties’ and ‘political expenditure’ have the meanings given to them in Sections 363 to 365 of the 2006 Act.

Resolution 10

That the authority conferred on the Directors by Article 12.2 of the Company’s Articles of Association be renewed and for this purpose:

- (a) the Section 80 amount be £117 078 772; and
- (b) the prescribed period be the period ending at the conclusion of the AGM of the Company in 2009.

Resolution 11

That the rules of the BG Group plc Long Term Incentive Plan 2008 (the “LTIP”), contained in the document produced to the Meeting and signed by the Chairman for the purposes of identification be approved and adopted and the Directors be authorised to establish such further plans for the benefit of employees outside the UK based on the LTIP subject to such modifications as may be necessary or desirable to take account of non-UK securities laws, exchange control and tax legislation, and provided that any shares of the Company made available under such further plans are treated as counting against any limits on individual participation, or overall participation in the LTIP.

Resolution 12

That the rules of the BG Group plc Sharesave Plan 2008 (the “Sharesave Plan”) contained in the document produced to the Meeting and signed by the Chairman for the purposes of identification be approved and adopted and the Directors be authorised to establish such further plans for the benefit of employees outside the UK based on the Sharesave Plan subject to such modifications as may be necessary or desirable to take account of non-UK securities laws, exchange control and tax legislation, and provided that any shares of the Company made available under the Sharesave Plan are treated as counting against any limits on individual participation, or overall participation in such further plans.

1. This document is important. If you are in any doubt about its content, you should consult an appropriate independent adviser.
If you have sold or transferred all of your shares in BG Group plc, please send this document and all accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through or to whom the sale or transfer was effected so that they can be passed on to the person who now owns the shares.
2. The following documents, which are available for inspection during normal business hours at the registered office of the Company and at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the AGM from 1.00pm on the day of the Meeting until its conclusion:
 - (i) copies of all Directors’ service contracts and letters of appointment;
 - (ii) the register of interests of the Directors in the share capital of the Company;
 - (iii) the Memorandum and Articles of Association of the Company and the Articles of Association amended to reflect the changes proposed by Resolution 16;
 - (iv) the rules of the BG Group plc Long Term Incentive Plan 2008 proposed by Resolution 11;
 - (v) the rules of the BG Group plc Sharesave Plan 2008 proposed by Resolution 12; and
 - (vi) the rules of the BG Group plc Share Incentive Plan 2008 proposed by Resolution 13.
3. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those holders of ordinary shares registered in the register of members of the Company as at 6.00pm on 12 May 2008 or their duly appointed proxies shall be entitled to attend or vote at the AGM in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the register of members after 6.00pm on 12 May 2008 shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

Notice of ninth Annual General Meeting of BG Group plc continued

Resolution 13

That the rules of the BG Group plc Share Incentive Plan 2008 (the "SIP") contained in the document produced to the Meeting and signed by the Chairman for the purposes of identification be approved and adopted and the Directors be authorised to establish such further plans for the benefit of employees outside the UK based on the SIP subject to such modifications as may be necessary or desirable to take account of non-UK securities laws, exchange control and tax legislation, and provided that any shares of the Company made available under the SIP are treated as counting against any limits on individual participation, or overall participation in such further plans.

SPECIAL RESOLUTIONS

Resolution 14

That the Directors be empowered to allot equity securities (as defined in Section 94 of the Companies Act 1985 as amended (the "1985 Act")), entirely paid for in cash:

- (a) of an unlimited amount in connection with a rights issue (as defined in the Company's Articles of Association); and
- (b) otherwise than in connection with a rights issue, of an amount up to £16 720 201, free of the restrictions in Section 89(1) of the 1985 Act provided that:
 - (i) this power shall expire at the conclusion of the AGM of the Company in 2009 and is in substitution for all previous such powers, which shall cease to have effect from the date of this Resolution, without affecting the validity of any allotment of securities already made under them; and
 - (ii) during that period, the Directors can make offers and enter into agreements that would, or might, require equity securities to be allotted after that period.

In working out the maximum amount of equity securities for the purposes of paragraph (b) above, the nominal value of rights to subscribe for shares or to convert any securities into shares will be taken as the nominal value of the shares that would be allotted if the subscription or conversion takes place.

For the purposes of this Resolution:

- (a) references (except in paragraph (b) below) to an allotment of equity securities shall include a sale of Treasury shares; and
- (b) the power granted by this Resolution, insofar as it relates to the allotment of equity securities rather than the sale of Treasury shares, is granted pursuant to the authority under Section 80 of the 1985 Act conferred by Resolution 10.

Resolution 15

That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 10 pence each of the Company ("ordinary shares") provided that:

- (a) the maximum number of ordinary shares hereby authorised to be acquired is 334 404 035;
- (b) the minimum price that may be paid for any such ordinary share is 10 pence, the nominal value of that share;
- (c) the maximum price that may be paid for any such ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and

- (d) the authority hereby conferred shall expire at the conclusion of the AGM of the Company in 2009 but a contract for purchase may be made before such expiry that will or may be executed wholly or partly thereafter, and a purchase of ordinary shares may be made in pursuance of any such contract.

Resolution 16

That the Articles of Association contained in the document produced to the Meeting and signed by the Chairman for the purposes of identification be approved and adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association, with effect from the conclusion of the AGM.

Registered Office:
100 Thames Valley Park Drive
Reading
Berkshire RG6 1PT

By order of the Board
Keith Hubber
Company Secretary

Registered in England & Wales
No. 3690065

12 March 2008

A shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend, vote and speak instead of him/her. A proxy need not be a shareholder of the Company. Further details on how to appoint a proxy are given on page 138.

EXPLANATORY NOTES

In line with the recommendations by Paul Myners and the Shareholder Voting Working Group issued in January 2004 (the 'Myners Report'), which the Company has met in full since that time, voting at the Meeting will be by poll rather than by show of hands. The Chairman will invite each shareholder and proxy present at the Meeting to complete a poll card indicating how they wish to cast their votes in respect of each resolution. In addition, the Chairman will cast the votes for which he has been appointed as proxy. Poll cards will be collected at the end of the Meeting. Once the results have been verified by the Company's Registrar, they will be notified to the UK Listing Authority and published on the Company's website.

Annual Report and Accounts (Resolution 1)

The Directors are required to lay before the Meeting the Accounts of the Company for the financial year ended 31 December 2007, the Directors' Report, the Remuneration Report and the Auditors' Report on the accounts and the auditable part of the Remuneration Report.

Remuneration Report (Resolution 2)

UK listed companies must put an ordinary resolution to shareholders at the AGM seeking approval of the Remuneration Report. The vote is advisory in nature, in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that the resolution is not passed.

Declaration of a dividend (Resolution 3)

A final dividend for the year ended 31 December 2007 of 5.76 pence per ordinary share is recommended by the Directors. A final dividend can be paid only after it has been declared by the shareholders at a general meeting. It is proposed that shareholders declare this dividend by passing Resolution 3. If so declared, the final dividend will be paid on 23 May 2008 to ordinary shareholders who were on the register of the Company at the close of business on 11 April 2008. American Depositary Share ("ADS") holders will be entitled to receive the US Dollar equivalent of £0.288 per ADS on 2 June 2008.

An interim dividend for the year ended 31 December 2007 of 3.60 pence per ordinary share was paid on 14 September 2007.

Election of Directors (Resolution 4)

The Company's Articles of Association require any Director newly appointed by the Board to retire at the first AGM following their appointment. Dr John Hood was appointed to the Board as a non-executive Director on 26 April 2007. He is a member of the Audit Committee and the Corporate Responsibility Committee. Biographical details of Dr Hood are given on page 47. In reviewing the recommendation of the Nominations Committee concerning this election, the Board concluded that Dr Hood is independent in character and judgment, makes an effective and valuable contribution to the Board and demonstrates commitment to the role. The Board unanimously recommends his election.

Re-election of Directors (Resolutions 5 and 6)

Directors are normally subject to re-election by shareholders every three years. Baroness Hogg was elected as a Director at the AGM held in May 2005 and is therefore subject to re-election at this year's AGM. Sir John Coles was first elected to the Board of BG plc at its AGM in April 1998 and therefore will have served on the Board for more than ten years at the date of the 2008 AGM. In accordance with provision A.7.2 of the Combined Code, he is subject to re-election on an annual basis. He was last re-elected at the 2007 AGM.

Biographical details of Baroness Hogg and Sir John Coles are shown on pages 46 and 47. In reviewing the recommendation of the Nominations Committee concerning these re-elections, the Board has concluded that Baroness Hogg and Sir John Coles, are independent in character and judgment. In addition and, following the annual evaluation exercise conducted during the year, the Board considers that each of the Directors proposed for re-election continues to make an effective and valuable contribution and demonstrates commitment to the role. Accordingly, the Board unanimously recommends their re-election.

Re-appointment and remuneration of Auditors (Resolutions 7 and 8)

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the next such meeting. Following the recommendation of the Audit Committee, the Directors propose that PricewaterhouseCoopers LLP be re-appointed as Auditors of the Company. Resolution 8 proposes that the Audit Committee be authorised to determine the level of the Auditors' remuneration.

Political donations (Resolution 9)

Resolution 9 is designed to deal with rules on political donations and expenditure contained in Part 14 of the 2006 Act (Sections 362 to 379). Under Section 378 of the 2006 Act, a company may not make donations to an EU political party, or other EU political organisation, or to an independent election candidate in the EU of more than £5 000 in total, or incur any EU political expenditure, without first obtaining shareholder approval.

As stated in its Business Principles, it is the Company's policy not to make contributions to political parties. There is no intention to change that policy. What constitutes a 'political donation', a 'political party', a 'political organisation' or 'political expenditure' under the 2006 Act is not clear, as the legislation is capable of wide interpretation and may have the effect of covering a number of normal business activities that would not be thought to be political donations in the usual sense. To avoid any possibility of inadvertently contravening the 2006 Act, the Board considers that it would be prudent to follow the procedure specified in the 2006 Act to obtain shareholder approval for the Company and its subsidiaries to make political donations or incur political expenditure in the forthcoming year until the conclusion of the AGM of the Company in 2009. This authority will not be used to make any political donations as that expression would normally be understood.

Authority to allot shares (Resolution 10)

The Directors are currently authorised to allot relevant securities. However, this authority terminates on the date of the 2008 AGM. This Resolution proposes that such authority be renewed and that the Directors be authorised to allot up to 1 170 787 720 ordinary shares for the period ending at the conclusion of the Company's AGM in 2009. The authority represents 33 1/3% (excluding Treasury shares) of the share capital of the Company in issue at 4 March 2008, together with shares outstanding under BG Group's option schemes. This amount complies with guidelines issued by investor bodies. The Directors have no present intention of issuing any relevant securities other than pursuant to employee share schemes.

BG Group plc Long Term Incentive Plan 2008 (Resolution 11)

This Resolution seeks shareholders' authority for the introduction of the Long Term Incentive Plan 2008 (the "LTIP"). Following a review by the Remuneration Committee (the "Committee") of the share-based reward arrangements that apply to Executive Directors, members of the Group Executive Committee (the "GEC") and other international executives, it is proposed to introduce the LTIP. This new LTIP will replace the existing discretionary share-based incentive plans, introduced in 2000, namely: the Company Share Option Scheme; and the Long Term Incentive Scheme.

The Committee's review concluded that the growth and development of the Company's business, coupled with the economics and demographics of the oil and gas industry, mean that the Company now requires a greater degree of flexibility in its share-based incentive arrangements.

The Company's expansion into new geographic areas and markets has increasingly demonstrated that its current share-based incentives differ from the norms in those geographic areas and markets. Although it is possible to address these challenges by compensating in other areas of the reward package, the Committee considers it preferable to adopt one overall share-based plan that has the flexibility to be competitive in each market. The LTIP has been developed to meet this objective, in consultation with major shareholders and their representative bodies. A summary of the main features of the LTIP is set out below:

1. Introduction

This summary outlines the main features of the LTIP, under which the Company may make awards to employees of the Group including Executive Directors and senior management of the Company. The LTIP will replace the existing Long Term Incentive Scheme and the Company Share Option Scheme.

Awards under the LTIP may be made as Performance Share Awards, Group Share Awards or Market Value Options. The vesting of all awards will (subject to limited exceptions set out below) be dependent on continued employment and the requirement that the individual's performance has not fallen significantly below that expected since the date of grant. All awards have substantially the same terms unless stated otherwise. Awards are not pensionable.

The vesting of Performance Share Awards will be subject to the satisfaction of additional conditions linked to the performance of the Company. The vesting of Group Share Awards may be subject to the satisfaction of Company-linked performance conditions. No Group Share Awards will be made to Executive Directors of the Company nor to members of the GEC.

Performance Share Awards and Group Share Awards may be made in a number of different ways including: conditional share awards, nil cost options or restricted shares.

Awards granted as Market Value Options will have an exercise price based on the market value of shares at the time of grant. The exercise of such options granted to the Executive Directors of the Company or the members of the GEC will be subject to the satisfaction of additional conditions linked to Company performance. These performance conditions will be discussed with major shareholders prior to the grant of any Market Value Options.

The LTIP also provides flexibility to make economically equivalent awards (including cash awards), for example as a result of local tax or regulatory considerations, if this is appropriate in any jurisdiction.

Exceptionally, awards to Executive Directors and members of the GEC may be made without Company-linked performance conditions, for example to facilitate recruitment in exceptional circumstances.

On the initial operation of the LTIP, it is intended that Executive Directors and members of the GEC will only be granted Performance Share Awards.

2. Operation

Awards will normally be made within 42 days after the announcement of the Company's results for any period. Awards may also be made at other times in exceptional circumstances. It is intended that the first awards will be made on 2 September 2008.

3. Eligibility

All employees and Executive Directors of the Company or of any subsidiary of the Company are eligible to participate in the LTIP. Participation by Executive Directors, including the size of the awards and the terms of the performance conditions, will be determined by the Committee.

4. Performance conditions

Where the receipt of shares and the number of shares received is subject to the satisfaction of certain pre-determined performance conditions, then the aim will be to link receipt to an improvement in the performance of the Company over a performance period of not less than 3 years. In addition, awards may be forfeited or the vesting reduced if over the vesting period the performance of the individual has fallen significantly below that expected since the date of grant.

The performance conditions will be set by the Committee each time the LTIP is operated. In respect of the initial Performance Share Awards to be made in September 2008, it is intended that the receipt of shares will be conditional on the satisfaction of the performance conditions described below. In addition, the Committee must be satisfied that the underlying performance of the Company justifies the vesting of awards and the level of vesting. The performance period will be a single three year period which will begin on 1 September 2008 and end on 31 August 2011. Awards will vest on the later of the testing of the performance conditions and the third anniversary of the date of grant.

Vesting will be based on the Company's three year total shareholder return ("TSR") relative to a weighted index comprised of a selection of industry peers. No shares will vest if the Company's TSR is less than the index TSR. If the Company's TSR is equal to the index TSR, 25% of an award will vest. If the Company's TSR meets or exceeds 122.5% of the index (7% per annum compound out-performance), 100% of an award will vest. Between these two points Performance Share Awards will vest on a linear sliding scale basis. The preliminary constituents of the index for 2008 awards are as follows:

Anadarko Petroleum Corporation; Apache Corporation; BP plc; Chevron Corporation; ConocoPhillips; Devon Energy Corporation; ENI S.p.A.; EOG Resources, Inc.; Exxon Mobil Corporation; Hess Corporation; Marathon Oil Corporation; Petro-Canada; Repsol YPF S.A.; Royal Dutch Shell plc; StatoilHydro ASA; Talisman Energy Inc.; Total S.A.; and Woodside Petroleum Ltd.

Awards will lapse at the end of the performance period to the extent that the performance conditions have not been satisfied. There will be no retesting.

The Committee may set different performance conditions from those described above for future awards, and where these are not substantively the same as existing conditions they will be discussed with major shareholders before making any such awards. Performance conditions will be described in the Remuneration Report in the Annual Report and Accounts.

The Committee may also vary or adjust the performance conditions applying to existing awards to take account of events the Committee considers exceptional, including technical events, such as changes in accounting standards and treatment, and the takeover of a company in the index, provided that, in the opinion of the Committee, the amended conditions are fair and reasonable and no less challenging than the original conditions would have been but for the event.

5. Individual limits

The Company increasingly operates in markets outside the UK and requires the flexibility to offer incentive packages which are competitive in those markets. This includes being able to make share-based awards in different forms under the LTIP. To ensure that the Company can measure the value of the different types of awards on a consistent basis across the different markets, there will be an individual limit on participation in any financial year linked to the Estimated Present Value ("EPV") of awards.

The overriding EPV limit on individual participation in the first financial year of operation of the LTIP will be 250% of salary. For subsequent financial years, it is intended that the limit will be 300% of salary. EPV of share-based incentives is calculated as the present value of the average outcome weighted by the probability of that outcome. This takes into account the difficulty of achieving the associated performance conditions, and factors such as volatility and risk of forfeiture. EPV will be calculated by the Committee's independent adviser.

An additional constraint will also operate whereby a separate limit of six times salary will apply to the face value of each of the three types of award, being Performance Share Awards, Group Share Awards and Market Value Options, in any one financial year. No Group Share Awards will be made to Executive Directors of the Company or members of the GEC. No Market Value Options will be granted in the first financial year of operation of the LTIP.

Both EPV and face value limits may be exceeded only in exceptional circumstances such as recruitment. The limits will be notified to shareholders each year in the Remuneration Report, together with details of the performance conditions.

An award will normally lapse where participants leave the Group before they become eligible to receive the shares unless the employment ceases due to ill health, injury or disability, retirement, redundancy, death, where there is a sale of the employing business or company, or for other reasons specifically allowed by the Committee. If a participant ceases employment in such circumstances, any subsisting awards held by that participant will normally be tested for satisfaction of any performance conditions at the time of leaving employment. Except on death, the number of shares which may be acquired will be reduced on a pro-rata basis to take account of the proportion of the vesting period when the participant was not in employment, unless the Committee decides otherwise. The Committee may use its discretion to test performance at the end of the original performance period. If this occurs, awards will be pro-rated for time as described above unless the Committee decides otherwise.

6. Change of control, merger or other reorganisations

Generally, on a takeover, scheme of arrangement, merger or other corporate reorganisation, the number of shares received (if any) will be calculated by applying any performance conditions as at the date of the event. Alternatively, participants may be allowed or required by the Company to exchange their shares for shares in the acquiring company. Time pro-rating will apply if the Committee determines that this is appropriate given the circumstances of the change of control.

7. Variations

Participants will be notified by the Company where there is a variation in the share capital of the Company, a demerger or a special dividend. Upon such an event, the Committee may adjust the awards in any way it considers appropriate.

8. Rights

Conditional share awards and options will not enjoy any shareholder rights until the shares have been acquired by the participant. However, participants may receive a payment in cash (or shares) of an amount equal to the dividends which would have been payable on the shares received during the vesting period. In the case of restricted shares, participants are entitled to dividends and to vote the shares during the vesting period unless the Company determines otherwise.

Any shares issued under the LTIP will rank equally with shares of the same class and in issue on the date of allotment except in respect of rights by reference to a record date prior to the date of allotment. In addition, Treasury shares may be used to satisfy awards under the LTIP.

9. Dilution limits

In any ten year period, not more than 10% of the issued ordinary share capital of the Company may be issued or committed to be issued under the LTIP and all other employee share plans operated by the Company. In addition, in any ten year period, not more than 5% of the issued ordinary share capital of the Company may be issued or committed to be issued under the LTIP and all other discretionary share plans adopted by the Company. If shares are transferred from treasury to satisfy awards, these will also be counted towards the dilution limits for as long as this is required by the Association of British Insurers' guidelines.

10. Amendments to the LTIP

The Committee may amend the LTIP as it considers appropriate. However, shareholder approval will be required to amend certain provisions of the LTIP if they are to the advantage of the participants. These provisions relate to: eligibility; individual and plan limits; the basis for determining entitlements to shares; rights attaching to shares; rights in the event of a variation in the Company's share capital; and the amendment powers.

11. Termination

The Committee may terminate the LTIP at any time which will, in any event, end on the tenth anniversary of the approval of the shareholders.

BG Group plc Sharesave Plan 2008 (Resolution 12)

This resolution seeks shareholders' authority for the introduction of the Sharesave Plan 2008 (the "Sharesave Plan") to replace the existing BG Group Sharesave Scheme which is due to expire. As with the existing Sharesave Scheme, the new Sharesave Plan will be approved by HM Revenue & Customs ("HMRC") in the UK and will enable the Company to offer UK employees the opportunity to acquire shares in the Company in a tax-favoured way. A summary of the main features of the Sharesave Plan is set out below:

1. Invitations

When the Sharesave Plan is operated, invitations must be sent to any eligible employee or full-time Executive Director that satisfies the following conditions:

- they are employed by the Company or any participating subsidiary of the Company; and
- they have been continuously employed by the Company or a participating subsidiary of the Company for a minimum period (up to five years).

In addition, the Directors may send invitations to any other employee (including Executive Directors) of the Company or any participating subsidiary of the Company who do not meet those criteria.

Invitations will normally be made within 42 days of an announcement of results and in other exceptional circumstances. Options will not be pensionable.

2. Savings contract

The principle of the Sharesave Plan is that an employee is granted an option to acquire Company shares at a fixed option price (see below). The employee must enter into a savings contract and save at least £5 but not more than £250 per month (or such other sum as may be allowed by legislation). Shares can only be bought with the amount saved plus any bonus paid under the savings contract.

3. Option price

The option price must not be less than 80% of the market value of the shares on the business day before the date of grant or the average market value over the three preceding business days.

4. Plan limits

In any ten year period, not more than 10% of the issued ordinary share capital of the Company may be issued or committed to be issued under the Sharesave Plan and all other employee share plans operated by the Company. If shares are transferred from treasury to satisfy options these will also be counted towards the dilution limits for as long as this is required by the Association of British Insurers' guidelines.

5. Exercise of options

Options are normally exercisable within six months after the third, fifth or seventh anniversary of the start of the savings contract. Options may, however, be exercised early in certain circumstances. These include, for example, an employee leaving because of injury, disability, retirement, death or redundancy or his employing company or business being sold out of the Group. On cessation of employment for other reasons, options will normally lapse.

6. Change of control, merger or other reorganisation

Options may generally be exercised early on a takeover, scheme of arrangement, merger or other reorganisation. Alternatively, optionholders may be allowed or required to exchange their options for options over shares in the acquiring company.

7. Issue of shares

Any shares issued on the exercise of options will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date. Treasury shares may also be used for the Sharesave Plan.

8. Variation in share capital

Options may be adjusted following any variation in the share capital of the Company.

9. Amendments to the Sharesave Plan

The Committee may amend the Sharesave Plan as it considers appropriate. However, shareholder approval will be required to amend certain provisions of the Sharesave Plan if they are to the advantage of the participants. These provisions relate to: eligibility; individual and plan limits; the basis for determining entitlements to shares; rights attaching to shares; rights in the event of a variation in the Company's share capital; and the amendment powers. Amendments to the Sharesave Plan are subject to prior approval of HMRC.

BG Group plc Share Incentive Plan 2008 (Resolution 13)

This resolution seeks shareholders' authority to renew the BG Group Share Incentive Plan (to be re-named the BG Group plc Share Incentive Plan 2008 ("SIP")), which is due to expire in 2010 and to restate its rules in modern format. The SIP will continue to be approved by HMRC and will enable the Company to offer UK employees the opportunity to acquire shares in the Company in a tax-favoured way. A summary of the main features of the SIP is set out below:

1. Introduction

The SIP offers three ways to provide shares to employees based in the UK, namely: free; partnership; and matching shares. The SIP contains all three elements, and the Directors have power to decide which, if any, of them should be used. The SIP operates in conjunction with a trust, which will hold shares on behalf of employees. It is intended that HMRC approval for the renewal of the SIP will be sought in due course. Benefits under the SIP are not pensionable.

2. Eligibility

UK employees and Executive Directors of the Company and any subsidiaries designated by the Directors as participating companies are eligible to join the SIP, if they have worked for the Company or a participating company for a qualifying period determined by the Directors, which may not exceed 18 months.

3. Free shares

The SIP provides for the award of free shares worth up to a maximum set by the legislation (currently £3 000) to each eligible employee each year. The shares must generally be offered on similar terms, but the award may be subject to performance targets. 'Similar terms' means the terms may only be varied by reference to remuneration, length of service or hours worked.

Free shares must be held in trust for a period of between three and five years at the discretion of the Company and will be free of UK income tax and social security if held in trust for five years. If a participant leaves employment with the Group, his shares cease to be subject to the SIP. The SIP may be operated on the basis that the shares are forfeited if the participant leaves employment within three years of the award other than through death, retirement, redundancy, injury or disability, or his employing company or business being sold out of the Group.

4. Partnership shares

The SIP provides for employees to be offered the opportunity to purchase shares out of monthly savings contributions from pre-tax salary up to the maximum set by the legislation (currently £1 500 in each tax year, or 10% of salary if less). Employees can stop saving at any stage. The employees' contributions may be used to buy partnership shares immediately or accumulated for up to 12 months before they are used to buy shares. Where they are accumulated, the price at which they are acquired is the lesser of the price at the beginning of the accumulation period and the end.

Partnership shares can be withdrawn from the SIP by the participant at any time, but there will be a UK tax and social security liability if the shares are withdrawn before five years.

5. Matching shares

The SIP provides that where employees buy partnership shares, they may be awarded additional free matching shares by the Company on a matching basis, up to a current maximum of two matching shares for each partnership share. Matching shares must be held in trust for a minimum of three years and will be free of UK income tax and social security if held in trust for five years.

The SIP may be operated on the basis that if a participant withdraws his corresponding partnership shares before the Trustees have held them for up to three years, he will forfeit the linked matching shares.

If the participant ceases to be employed within the minimum three year period (or within such shorter period as the Directors may decide) other than for a specified reason such as retirement, redundancy or disability, his matching shares will be forfeited.

6. Dividends

The SIP provides that Directors may permit any dividends paid on the free, partnership or matching shares to be re-invested in the purchase of additional shares, which must be held in the SIP for a period of three years.

7. Voting rights

Participants may direct the Trustees how to exercise the voting rights attributable to the shares held on their behalf. The Trustees will not exercise the voting rights unless they receive the participants' instructions.

8. Dilution limits

In any ten year period, not more than 10% of the issued ordinary share capital of the Company may be issued or committed to be issued under the SIP and all other employee share plans operated by the Company. If shares are transferred from treasury to satisfy awards, these will also be counted towards the dilution limits for as long as this is required by the Association of British Insurers' guidelines.

9. Amendments to the SIP

The Committee may amend the SIP as it considers appropriate. However, shareholder approval will be required to amend certain provisions of the SIP if they are to the advantage of the participants. These provisions relate to: eligibility; individual and plan limits; the basis for determining entitlements to shares; rights attaching to shares; rights in the event of a variation in the Company's share capital; and the amendment powers. Amendments to the SIP are subject to prior approval of HMRC.

Disapplication of pre-emption rights (Resolution 14)

The Directors are currently authorised to allot unissued shares for cash without first offering them to existing shareholders in proportion to their holdings (a pre-emptive offer). However, this authority terminates on the date of the 2008 AGM. This Resolution proposes that such authority be renewed and that the Directors be authorised to allot up to 167 202 017 ordinary shares for cash without a pre-emptive offer being made for the period ending at the conclusion of the Company's AGM in 2009. This authority will also cover the sale of Treasury shares for cash. The authority represents approximately 5% of the share capital in issue at 4 March 2008. BG Group does not intend to issue more than 7.5% of the issued share capital of the Company in any rolling three year period. These amounts comply with guidelines issued by investor bodies.

Authority to make market purchases of own ordinary shares (Resolution 15)

In certain circumstances, it may be advantageous for the Company to purchase its own ordinary shares and Resolution 15 seeks authority from shareholders to do so. The Resolution specifies the maximum number of shares that may be acquired (10% of the Company's issued ordinary share capital) and the maximum and minimum prices at which they may be bought.

Any shares purchased in this way will, unless the Directors determine that they are to be held as Treasury shares, be cancelled and the number of shares in issue will be reduced accordingly. Shares held in treasury will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

During February 2008, the Company completed the share repurchase programme of £750 million announced in February 2007, having repurchased 88 million ordinary shares at an average price of £8.51 per share.

These shares are held in treasury in accordance with Section 162(A) of the 1985 Act and used to satisfy awards under the Long Term Incentive Scheme and Share Incentive Plan pursuant to Section 162(D) of the 1985 Act. In addition, these shares may be used to satisfy awards under the new share plans described above. No dividends are paid on and no voting rights attach to Treasury shares. Any Treasury shares sold by the Company will count towards the number of shares that, if Resolution 14 is passed, may be issued without offering them first to existing shareholders.

As the existing shareholder approval to purchase shares expires at the 2008 AGM, purchases after that date are subject to renewed shareholder approval at the AGM. The Directors will use the authority to purchase shares only after careful consideration, taking into account market conditions, other investment opportunities, appropriate gearing levels and the overall financial position of the Company. The Directors will only purchase such shares after taking into account the effects on earnings per share and the benefit for shareholders.

The total number of options to subscribe for ordinary shares outstanding at 4 March 2008 is 56.1 million. This represents 1.68% of the issued share capital at that date (excluding Treasury shares). If the Company bought back the maximum number of shares permitted pursuant to the existing authority as well as the authority being sought by the passing of this resolution and cancelled them, then the total number of options to subscribe for ordinary shares outstanding at that date would represent 2.05% of the issued share capital (excluding Treasury shares) as reduced following those repurchases. At 4 March 2008, there were no warrants to subscribe for ordinary shares outstanding.

Adoption of new Articles of Association (Resolution 16)

The proposed new Articles of Association reflect those provisions of the 2006 Act which have been brought into force since the last AGM.

Set out below is a summary of the main differences between the current and the proposed new Articles of Association. This summary has been prepared in order to assist shareholders in understanding the rationale for and substance of the proposed amendments. Although the new Articles of Association are in many respects largely unchanged from the current Articles of Association, the Directors recommend that shareholders pass a resolution to adopt new Articles of Association rather than to pass resolutions detailing each individual amendment.

1. Directors' interests

The 2006 Act sets out directors' general duties which largely codify the existing law but with some changes. Under the 2006 Act, from 1 October 2008, a director has a statutory duty to avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts where appropriate, if the articles of association contain a provision to this effect. The 2006 Act also allows the articles to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The new Articles of Association give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards that will apply when Directors decide whether to authorise a conflict or potential conflict. Firstly, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

The new Articles of Association contain conflict management provisions relating to confidential information and attendance at Board meetings to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors.

It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

2. Form of resolutions and general meetings

The proposed new Articles of Association have been amended so as to remove all references to extraordinary resolutions and extraordinary general meetings as neither of these concepts have been retained under the 2006 Act.

3. Notice of general meetings

Article 53.1 of the proposed new Articles of Association is amended to cater for the new provision regarding notice periods set out in the 2006 Act. The 2006 Act reduces the minimum notice period for all general meetings (other than the annual general meeting) to 14 clear days and the amendments to Article 53.1 allow the Company to take advantage of such provision.

4. Polls and proxies

Article 62.1 of the proposed new Articles of Association has been amended to clarify that a poll may be demanded by a majority of the Directors present at the meeting.

Under the 2006 Act, proxies are entitled to vote on a show of hands as well as on a poll, and shareholders may appoint a proxy to exercise all or any of their rights to attend, speak and vote at meetings. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share or shares. Articles 69.1 and 74.5 of the proposed new Articles of Association reflect these new proxy rights.

5. Quorum

The proposed amendment to Article 98.1, which deals with the quorum requirement for Board meetings, clarifies that the presence of a quorum will be determined separately in relation to each matter or resolution considered or voted on at the meeting. This will mean that if a Director cannot count in the quorum for a particular resolution (because for example he is interested in the outcome of the resolution) he may still count in the quorum for the other resolutions to be voted on at the meeting.

Recommendation

The Board considers the above resolutions will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of all the above resolutions as they intend to do so themselves in respect of their own beneficial holdings.

Appointing a proxy

Shareholders are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote at the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares. A proxy does not need to be a shareholder of the Company but must attend the AGM to represent the relevant shareholder. A proxy form is enclosed with this Notice and instructions for its use are shown on the form. Appointing a proxy does not preclude a shareholder from attending the AGM and voting in person. Proxy forms must be submitted by 2.00pm on 12 May 2008 to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6UT. Details of how to appoint your proxy electronically are given below.

Electronic proxy voting

Shareholders may register the appointment of a proxy or proxies for the AGM electronically at www.sharevote.co.uk⁴, a website operated by the Company's Registrar, Equiniti. Shareholders are advised to read the terms and conditions, shown on the website, relating to the use of this facility before appointing a proxy. Any electronic communication sent by a shareholder that is found to contain a computer virus will not be accepted. Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged in any way.

Corporate representatives

Corporate shareholders are encouraged to appoint a proxy or multiple proxies in preference to appointing corporate representatives given the uncertainty arising from the provisions in the 2006 Act regarding the validity of votes cast by multiple corporate representatives. However, where corporate shareholders have appointed multiple corporate representatives, the Company intends to follow the guidance issued by the Institute of Chartered Secretaries and Administrators ("ICSA"), as described below.

In order to facilitate voting by corporate representatives at the Meeting, arrangements will be in place at the Meeting so that:

- (i) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions. Voting cards will be made available to corporate representatives at the Meeting; and
- (ii) if more than one corporate representative for the same corporate shareholder attends the Meeting but the corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated from those corporate representatives who attend the Meeting, and will vote on a poll. The other corporate representatives will give voting directions to that designated corporate representative. In accordance with the ICSA's guidance, the designated corporate representatives shall be the first of the corporate representatives to have registered his/her attendance at the Meeting. Voting cards will be made available to corporate representatives at the Meeting.

Corporate shareholders are recommended to read the guidance issued by the ICSA on proxies and corporate representatives at www.icsa.org.uk for further details of this procedure. The guidance includes a sample form of representation letter for those corporate shareholders wishing to appoint the Chairman as its designated corporate representative as described in (i) above. Should you have any queries in relation to proxy appointments or corporate representatives, please contact the Company's Registrar, Equiniti, on 0871 384 2064.

4. This electronic address is provided solely for the purposes of enabling shareholders to register their appointment of a proxy or proxies for the AGM electronically. The Company will not accept any other document or information relating to proceedings of the Meeting which may be sent by electronic means to that address.

Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 14 May 2008 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or proxies, or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by 2.00pm on 12 May 2008. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Persons nominated by shareholders

A copy of this Notice has been sent for information only to persons who have been nominated by a shareholder to enjoy information rights under Section 146 of the 2006 Act (a "Nominated Person"). The rights to appoint a proxy set out in this Notice do not apply to Nominated Persons; they can only be exercised by the shareholder. However, a Nominated Person may have a right under an agreement between him and the shareholder by whom he/she was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights.

Total shares and voting rights

As at 4 March 2008, the Company's capital consisted of 3 575 542 325 ordinary shares in issue of which 231 501 966 (representing approximately 6.47% of the total share capital) were held in treasury. Therefore, the total number of voting rights in BG Group plc as at 4 March 2008 was 3 344 040 359.

Summary of AGM business

A summary of the business carried out at the Meeting will be published on the Group's website.